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Southeast Asia U S Interests and Policy

NWC Course 4 Geostrategic Context

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Report Documentation Page				Form Approved OMB No. 0704-0188	
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1. REPORT DATE 1996		2. REPORT TYPE		3. DATES COVERED 00-00-1996 to 00-00-1996	
4. TITLE AND SUBTITLE Southeast Asia U.S. Interests and Policy				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National War College, 300 5th Avenue, Fort Lesley J. McNair, Washington, DC, 20319-6000				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT see report					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 11	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Introduction

Southeast Asia, a “Pacific Rim” region with diverse political structures, religions and cultures, presents the United States with real opportunities to fully develop and strengthen mutually beneficial security and economic partnerships with the region’s countries. Unlike other regions that are demanding significant resource investments (S W Asia, Bosnia), the high level of stability currently enjoyed by the region requires only modest investment to return significant payoffs. Additionally, the close proximity of this region to China provides the U S with additional policy alternatives should China move in directions unfavorable to U S national interests. This strategic assessment begins with a review of U S interests pertinent to the region, outlines key factors and trends influencing U S – S E Asia relationships and highlights challenges, threats and opportunities. With this as background, a discussion of policy objectives and the means (tools of statecraft) suitable to achieve these objectives is provided.

National Interests

As the world’s leader, America’s overarching interests in this region are stability and peace -- history is liberally flavored with the human and material costs born by the U S when these conditions do not exist. A closely related interest is the development of a regional security structure to minimize the demand on U S resources, should a crisis situation emerge. As important, this organization would promote more cooperative, harmonious relationships between the region’s countries. With these conditions present, America’s ability to interact economically with the region’s growing markets and economies is enhanced. America’s short and long term fiscal health in the global economy relies on access to these markets. Another key U S interest is demonstrating the positive aspects of democratic institutions. This should not be interpreted as an attempt to export the “American” style of government, but to demonstrate that the true value of

democratic institutions lies with the government's accountability to the people. Given the spectrum of governments present in the region – from semi-democratic through authoritarian to communist regimes, a gradual, calculated shift towards more pluralistic forms of government promotes regional stability and the peaceful transition of governments/leaders in the future. Continued support for human values while combating the spread of narcotics are also key U.S. interests pertinent to this region. Finally, with a growing uncertainty about the future direction of China, a strong, mutually beneficial relationship with S.E. Asia would complement those already established with Japan and Korea. This should not be viewed as some sort of China "containment" policy, but as a desire to solidify another key Pacific Rim relationship which may offer ways to leverage China in the future.

Historical Context

S.E. Asia is a region that withstood the colonization efforts of six different countries (70 percent occurring between 1860 and 1940). Additionally, five major religions are actively practiced in the area – Indonesia's predominant religion is Islam. China's close proximity and periodic excursions south (China occupied Vietnam for about 1000 years) are responsible for the strong Chinese influence and values prevalent in the region's countries. These influences – hard work, discipline, value placed on education, work ethic and emphasis on saving, strongly influence the character and culture of the region.

S.E. Asia is a burgeoning economic region. Anchoring the southern end of the Pacific Rim, S.E. Asian countries generated a combined GNP of approximately \$455 billion in 1995. The largest country, Indonesia, is considered by the Department of Commerce as one of ten current BEMs (Big Emerging Markets) of the world's economy. Market-friendly and free-trade government policies facilitated the economic growth enjoyed by this region. Unfortunately, the

environment has in many cases, been a victim of this growth. Also, S E Asia has been long recognized for its “Golden Triangle” – an area supporting a thriving narcotics trade.

As mentioned previously, regional governments range from semi-democratic -- some semblance of accountability of the leaders to the people -- to communist and authoritarian regimes. However, Marxist-Leninist influence is diminishing in the region. Despite this range of governing institutions, the region remains reasonably peaceful and stable. As important, there is a general desire in the region for a larger U S presence, particularly a military presence. The kind of U S presence envisioned would include periodic use of regional ports and facilities -- places not bases -- as opposed to U S management of large facilities such as those which previously existed in the Philippines. A primary factor behind this desire for a larger U S presence is China’s growing might and their expressed “ownership” of the South China Sea and associated resources. Regional countries are more receptive to a stronger ASEAN, possibly with an added multi-lateral security arrangement. Several countries appear to support/are supporting arms modernization programs proportional to growth in GNPs. In total, these factors provide the U S with several challenges and opportunities.

Challenges and Opportunities

Several critical threats and challenges to U S interests require consideration. The most immediate threat is China’s hegemonic view of the South China Sea. China’s overt claims make it clear that Beijing considers this sea as ‘territorial’ waters. China’s claims antagonizes Vietnam, the Philippines and Malaysia and represent a de-stabilizing influence on the region. Without question, this body of water is a potential flashpoint as the Chinese government continues to press their claims. All indications are that in this environment, most Southeast Asian nations welcome a strong, yet unobtrusive U S military presence. This desire for a larger U S presence presents a

challenge to U S policy makers in light of declining defense dollars With U S global commitments remaining constant/increasing, maintaining a credible forward presence in this region will compete with other long-standing military obligations

Maintaining regional stability during political transitions offers challenges Many of the nations in the region are newly emerged from colonial rule, and lack traditional democratic values For example, in some countries the real power resides with the military, Other countries are in fact, absolute monarchies with no public participation in the leadership selection process The transfer of power from one leader/ruler to the next thus presents a period of decreased stability as the successor selection process is ad hoc or in some cases violent Finally, the continued presence of communist-style governments in Vietnam, Laos and Cambodia are not catalysts for enhancing regional stability These nations may not function rationally (from a democratic perspective), particularly during their own leadership transitions and transitions of their neighbors

An array of economic issues present challenges to U S interests Foremost is the sometimes abrupt U S market share impacts caused by sudden advances in local technologies The sudden emergence of a “new” technology in Southeast Asia, coupled with uniformly low labor costs, cause industries to follow the flow of “cheap” labor – away from U S manufacturing sources Closely tied to this challenge is the disparity of wealth held by different ethnic groups As an example, ethnic Chinese hold the reins of business in Indonesia and Malaysia, thereby possessing a disproportionate percentage of the country’s wealth This disparity in wealth between Chinese and non-Chinese will continue to generate friction, until other ethnic groups are given an opportunity for “ownership” in this economic boom

Finally, there are other equally pressing drug trade and environmental issues S E Asia, as a region, is responsible for a significant portion of the world’s heroin production While debate

continues as to how to reduce America's drug demand, countering this source of narcotics is a clear U S interest. The nearly explosive economic growth achieved by several of the region's countries, is depleting critical natural resources and threatening the environment. As an example, the world market for wood and wood products threatens the forests of Indonesia. These forests are second only in importance to those in Brazil in sustaining a supportive atmosphere.

As we have learned, many of these issues are two-sided coins which at first appear to be threats but also present opportunities. The most important of these opportunities is the desire of most of these countries to see a continued U S presence in the region. Following the loss of bases in the Philippines, the U S needs logistical support alternatives to sustain a regional presence. Local access agreements, vice establishing an expensive, U S -operated base infrastructure, provide cost effective alternatives to anchor and support military operations in the region.

A first step toward local access agreements would be to increase the frequency of mil-to-mil contacts in the region. Continuing periodic U S regional military exercises, such as "Cobra Gold" help to underwrite advantages associated with this presence. Economically, these same military contacts may foster U S foreign military sales as the countries modernize their own armed forces. Foreign military sales translate into an additional market share for U S defense industries. Long term, the U S should seek opportunities to create a regional military security arrangement. Spring-boarding from ASEAN, such an arrangement would lessen some of the U S burden, but hopefully still require our presence and leadership in the region.

Along with a viable, cost effective military presence, a strong U S economic presence offers additional opportunities. America can open the door to this presence by offering technological training and leadership. This effort could translate into long-term partnerships with

U S corporations, bolstering U S market share in the region. This economic presence could also facilitate opportunities to help Southeast Asian nations develop “environmentally friendly” approaches to industrial and economic development.

Prioritized U.S. Policy Objectives

The first regional priority for the U S is the maintenance of order and stability. The U S must continue to develop and refocus bilateral security ties in the region in light of post Cold War realities. Strong ties with traditional allies, such as Thailand and the Philippines must be sustained. Constructive dialog, with the goals of developing stronger relations and closure on the POW/MIA issue should be pursued with Vietnam. The U S must also carefully assess the ability to project power in the region. The latter may best be done by continued close cooperation with neighboring Asian allies such as Australia and Japan. The maintenance of strong ties with these traditional partners, coupled with a growing partnership with S E Asian nations, provides alternatives to Chinese hegemonic aspirations.

America should encourage the growth and development of ASEAN as a regional security alliance, and pursue membership in this organization. Expansion of existing bilateral ties into a broader alliance framework (Japan and Australia) should be explored. It must be noted that potentially two long-term dangers exist with this approach. First, this approach may exacerbate Chinese security concerns and lead to an Asian version of the NATO - Warsaw Pact confrontation. Second, this alliance may develop to the point that U S leadership in this organization could be marginalized should other members, specifically Japan, begin to dominate.

The maintenance and further development of America’s economic ties to the region remains a top priority. Economic access and development with our traditional allies will continue as long as these regimes are stable, and mutual security/diplomatic ties remain strong. The fact

that Japan, Taiwan and South Korea will continue to be America's major economic competition in the region should not drive regional policies, as long as the U S is allowed equal access to existing and emerging markets. Continued strong U S emphasis on curtailing copyright infringement and dumping is critical to this process. Special focus must be placed on emerging markets where this practice has become a quick road to high hard currency profits. The U S should continue to use economic interdependence and open markets as inroads for democratic reform and increased pluralism. Again, due consideration must be given to existing stability and security – careful moves by regional governments towards democratic ideals should be viewed as acceptable progress in this area.

Other areas of concern and U S policy emphasis should be

- Efforts with Vietnam to seek closure on a full and complete accounting of our MIAs from the Vietnam War should be expanded to include Laos and Cambodia. A constructive dialog in this area may provide the U S with other communication inroads into those countries.

- Pursue regional solutions and cooperation on the reduction and interdiction of illegal narcotics out of this region. The U S should develop a dual-track policy of influencing and assisting countries in the region to destroy the flow at its source, while at the same time developing better world-wide cooperation among the major consumer nations (especially the G-7) to deal with this problem.

- The proliferation of weapons of mass destruction is not a major regional concern at this time, however, it is an area which requires continued vigilance. All nations in the region are signatories to NPT and the International Chemical Weapons Convention. With rapid military modernization of conventional forces occurring in countries with strong GNP, and continued growth in the current level of regional stability, no obvious incentive for the

development of WMDs exists. This said, with the right combination of internal or external threats, countries such as Burma and/or Cambodia might see WMDs as inexpensive equalizers especially if obtained as finished products, with no development costs.

Means of Influence/Power Projection

The three most important means of influence and power that the U.S. can project into this region are military forces, diplomatic support and economic clout. The power of the U.S. nuclear umbrella is a significant deterrent to China. Conventionally, the U.S. has forces stationed on the periphery of the region in the PACOM AOR. Two major military components include 7th Fleet naval assets and the 8th Army. Mil-to-mil contacts and security assistance can be used to foster ties and cultivate influence among the region's armed forces. With the conclusion of negotiations between the U.S. and Vietnam on 28 January 1995, we now have diplomatic representation in all ten Southeast Asian nations. In addition, U.S. membership in organizations such as the Asian Pacific Economic Cooperation (APEC) and the Asian Development Bank as well as world wide organizations such as the WTO and the UN, provide access to/paths of influence with S.E. Asian member states. Economically the U.S. continues to be a major regional player whose markets, industries and investments remain vitally important to the future prosperity of the region's emerging economies.

The U.S. has numerous tools to support these objectives. In the area of security, in addition to our nuclear and power projection capabilities, the U.S. can use security assistance, weapons sales (\$2 billion in 1994), mil-to-mil contacts and port visits. Diplomatically, America can encourage and support regional alliances such as ASEAN, continue to provide development assistance, and work bilaterally to ease market and investment restrictions for U.S. businesses. America can support the region's development by encouraging increased investment among our

G-7 partners With Vietnam, America can continue to strengthen re-established diplomatic ties, while using economic interdependence and diplomatic pressure to promote democratic ideals throughout the region Regional environmental problems can be addressed by providing U S environmental technical and management expertise As feasible, monetary assistance and prudent diplomatic pressure are always policy options

Preferred Instruments

The United States' greatest contributions are made in the areas of security and stability The means to rapidly project a viable power projection capabilities to counter Chinese hegemony is essential Economically, the U S must continue to push for open markets and fair trade to strengthen economic interdependence Diplomatically, the U S must provide "honest broker" leadership and assist in the development of a regional security structure while continuing to maintain and strengthen our bilateral ties

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